



Department of Veterans Affairs

Financial Policy

Volume II

Appropriations, Funds and Related Information

Chapter 7B

Honoraria

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0701 Overview

This chapter establishes the Department of Veterans Affairs' (VA) financial policies regarding honoraria payments. Of particular note are the following items:

- VA certifying officials will solicit Office of General Counsel (OGC) ethics official guidance before authorizing an honorarium payment to current VA employees;
- VA will not pay honoraria to VA employees or other-agency federal employees for service related to their official government duties;
- If payment is required to receive a service, the payment will not be processed as an honorarium;
- Honoraria payments will not exceed \$100 for each recipient at a single event;
- Honoraria payments will not be paid using a purchase card or convenience check; and
- A senior executive service employee (SES), GS-15 or title 38 SES or GS-15 equivalent employee must approve honoraria in advance of the actual payment.

0702 Revisions

Section	Revision	Office	Reason for Change	Effective Date
All	Format and content review	OFP	Full review; references and links update	January 2022
0701 Overview and 070502B Honoraria Payments to VA Employees	Require approving official consultation with OGC ethics officials.	OFP & OGC	Ethics officials will evaluate honoraria payment propriety.	January 2022
070502 Honoraria Payments to VA Employees	Remove prohibition on VA payment to current VA employees.	OFP	Conflict with Supreme Court decision identified among Authorities and References.	January 2022
070502C and 070503A & B	Expand leave type flexibility beyond annual leave and non-pay status.	OFP	Various other paid leave types may apply as would time outside regularly scheduled hours.	January 2022

Section	Revision	Office	Reason for Change	Effective Date
070504 Payment of Honoraria to Non-Federal Speakers	Added coverage of Necessary Expense Rule and Test (including definitions).	OGC and OFP	Support for approving official review of payment authority	January 2022
Appendix A Prior Revisions	Moved prior revisions detail.	OFP	Movement to the back helps readers focus on current requirement.	January 2022

0703 Definitions

Honoraria – Payments granted in recognition of a special service or distinguished achievement for which custom or propriety forbids any fixed business price such as an hourly rate. Honoraria include payments or the value of a non-monetary gift for one or a series of appearances, speeches, or articles if the subject matter is directly related to the recipient's official duties. An honorarium is not a means to circumvent the contracting process.

Necessary Expense Rule – is a combination of two slightly different, but closely related concepts:

- (1) An appropriation made for a specific purpose is available for expenses necessarily incident to accomplishing that purpose unless prohibited by law or otherwise provided for, and
- (2) Appropriations, even for broad categories such as salaries, frequently use the term "necessary expenses". As used in this context, the term refers to "current or running expenses of a miscellaneous character arising out of and directly related to the agency's work."

Necessary Expense Test – the standard for measuring the propriety of a particular expenditure not specified in a statute is referred to as the Necessary Expense Test. Under this test, the expenditure is permissible if it is reasonably necessary in carrying out an authorized function or will contribute materially to the effective accomplishment of that function, it is not otherwise prohibited by law, and it is not otherwise provided for.

0704 Roles and Responsibilities

Under Secretaries, Assistant Secretaries, Chief Financial Officers, Fiscal Officers, Chiefs of Finance Activities, Chief Accountants, and Other Key Officials are responsible for ensuring compliance with the policies set forth in this chapter.

Office of General Counsel (OGC) Ethics Officials will provide legal advice regarding honoraria payments to VA certifying officials and employees.

0705 Policies

070501 General Policies

- A. Multiple statutes and regulations restrict VA honoraria payments and VA employee receipt of honoraria, including, but not limited to:
 - 5 U.S.C. § 5533, Dual pay from more than one position;
 - 5 U.S.C. § 5536, Extra pay for extra services prohibited;
 - 18 U.S.C. Crimes and Criminal Procedure, Part I, Crimes, Chapter 11, Bribery Graft and Conflicts of Interest:
 - o § 201 – Bribery of public officials and witnesses
 - o § 203 – Compensation to Members of Congress, officers, and others in matters affecting the Government
 - o § 205 – Activities of officers and employees in claims against and other matters affecting the Government
 - o § 207 – Restrictions on former officers, employees, and elected officials of the executive and legislative branches
 - o § 208 – Acts affecting a personal financial interest, and
 - 5 C.F.R. Chapter XVI, Office of Government Ethics, Subchapter B, Government Ethics, Part 2635, Standards of Ethical Conduct for Employees of the Executive Branch, subpart H, Outside Activities, § 2635.807 - Teaching, Speaking, and Writing, (discussion of honoraria and related restrictions, exceptions, and examples).
- B. VA honoraria payments are limited to no more than \$100 for each recipient at a single event.
- C. Honoraria payments must be made via Electronic Funds Transfer (EFT). Honoraria payments will not be paid using a purchase card or convenience check.
- D. Recipients of VA honoraria whose vendor pay records are not already established in VA's accounting system must submit a completed VA Form 10091: VA-FSC Vendor File Request Form, before an honorarium payment will be processed.

- E. VA may pay honoraria only as an expression of appreciation for a voluntary service received. If payment for a service is negotiated or required to receive the service (e.g. fees or an hourly rate for speaking, playing the piano, appearance, etc.), the payment is not an honorarium. Such service would require proper approval, processing, and payment as a service contract or other agreement. The local contracting office can provide guidance on contracted services.
- F. Travel costs and other miscellaneous expenses reimbursed in supporting the voluntary service are not considered honoraria and are not limited to \$100. Refer to VA financial policy on invitational travel in VA Financial Policy Volume XIV, Chapter 1, Travel Administration.
- G. An SES, GS-15 or title 38 SES or GS-15 equivalent employee must approve honoraria in advance of the actual payment.

070502 Honoraria Payments to VA Employees

- A. Certifying officials should avoid authorizing an honorarium payment for current VA employees. The payment of honoraria risks violating multiple statutes regarding employee pay restriction, taxable payment reporting, Government employee ethics requirement, and limits on use of appropriated funds.
- B. Should a certifying official consider making an honorarium payment to a VA employee, the certifying official will consult with OGC ethics officials to evaluate the feasibility of a potential honorarium payment.
- C. VA employees should seek legal guidance from OGC ethics officials to determine whether they may accept an honorarium and/or travel expenses without violating applicable legal authorities, including, but not limited to, ethics, employment law, and appropriations law. Employees should ensure at a minimum the following conditions are met:
 - The VA employee provides professional services outside VA regularly scheduled duty hours or during an approved leave period;
 - The VA employee does not represent themselves as a VA employee;
 - The payor does not identify VA employment while conferring the honorarium; and
 - The service provided is not related to their official duties.

070503 Honoraria Payment to other Agency Federal Employees

- A. VA may pay honoraria to invited Federal non-VA employees providing professional services if the services are not related to their official Federal duties and are

performed outside payable work hours in their regular position or during an approved leave period. For example, Jane Doe, a policy analyst for the Department of Education who possesses a master's degree and has published articles on the benefits of art therapy, holds an hour-long presentation, on her day off, for VA medical personnel.

- B. In order to receive an honorarium from VA, the Federal non-VA employee will provide evidence that the professional services performed were outside their official Federal full-time or part-time tour of duty, or during an approved leave period. The VA payment certifying official will request recipient information to determine propriety of the honorarium payment. Documents an employee could provide include:
- Personnel and timekeeping records from the home agency;
 - A letter from the supervisor; or
 - Other relevant information.
- C. Non-VA Federal employees should consult legal counsel at their home agency to determine whether they may accept an honorarium from VA without violating applicable legal requirement, including, but not limited to, conflicting ethics, employment, and appropriations law provisions.
- D. VA will not provide the non-VA Federal employee guidance or clearance on lawfully receiving and reporting honoraria payments.

070504 Payment of Honoraria to Non-Federal Speakers

- A. VA may pay honoraria to invited non-Federal guest speakers as a necessary expense, subject to the Necessary Expense Rule and Test.
- B. VA Financial Policy in Volume XIV, Chapter 10, prohibits incurring expense for motivational speakers.

0706 Authorities and References

[5 U.S.C. §§ 501-505, Ethics in Government Act of 1978, Title V – Government-wide Limitations on Outside Earned Income and Employment](#)

[5 U.S.C. § 5533. Dual pay from more than one position; limitations; exceptions](#)

[5 U.S.C. § 5536. Extra pay for extra services prohibited](#)

[18 U.S.C. §§ 201-208. Crimes and criminal procedure, Part 1, Crimes, Chapter 11—
Bribery, graft, and conflicts of interest](#)

[5 C.F.R. Chapter XVI, Office of Government Ethics, Subchapter B, Government Ethics,
Part 2635, Standards of Ethical Conduct for Employees of the Executive Branch,
subpart H, Outside Activities § 2635.807 - Teaching, Speaking, and Writing
Department of Justice, Office of Legal Counsel Memorandum, “Legality of Government
Honoraria Ban Following U.S. v. National Treasury Employees Union” \(Feb. 26, 1996\)](#)

[Principles of Federal Appropriations Law \(Third Edition\), Vol I, Ch 4, Section B, The
“Necessary Expense” Doctrine](#)

[Principles of Federal Appropriations Law \(Third Edition\), Vol I, Ch 4, Section C4a, Dual
Compensation](#)

[VA Office of Human Resources – HR Library and Resources, VA Directives and
Handbooks](#) (VA intranet access only)

[VA Financial Policy Volume XIV Chapter 1, Travel Administration, and Chapter 10,
Conference Planning, Oversight and Reporting](#)

[FSC Vendor File Request Form](#)

0707 Rescissions

Volume II – Chapter 7B, Honoraria, February 2018

0708 Questions

Questions concerning these financial policies and procedures should be directed to the specific POC's and formatted as follows using the group email. Do not use proper names.

VHA	VHA CFO Accounting Policy (10A3A) (Outlook)
VHA	VAFSC Nationwide Accounting (Outlook)
VBA	VAVBAWAS/CO/FINREP (Outlook)
VBA	VAVBAWAS/CO/OPERATIONS (Outlook)
NCA	NCA Finance Group (Outlook)
NCA	NCA Budget Service (Outlook)
All Others	Travel Policy (Outlook)
All Others	OFP Accounting Policy (Outlook)

Appendix A: Prior Revisions

Section	Revision	Office	Reason for Change	Effective Date
Various	Reformatted to new policy format and completed 5-year review	OFP (047G)	Reorganized chapter layout	February 2018
0701 Overview	Updated to provide high-level overview of chapter	OFP (047G)	Reformatted to new policy format	February 2018
0703 Definitions	Revised/Added definitions: <ul style="list-style-type: none"> • Honoraria • Non-pay Status • Object Class (Budget Object Code (BOC)) Obligation	OFP (047G) OGC	Honoraria Definition - GAO case, B-20517, September 24, 1941 All – enhance reader understanding	February 2018
0704 Roles and Responsibilities	Updated Roles and Responsibilities	OFP	Enhance reader understanding	February 2018

Section	Revision	Office	Reason for Change	Effective Date
0705 General Policies	<p>Removed “fees” from areas that reference reimbursements and honoraria payments</p> <p>Stipulated that travel costs were to be treated as in Invitational Travel</p> <p>Stated that VA may not pay honoraria to VA employees</p> <p>Added:</p> <ul style="list-style-type: none"> • Payment limitation of \$100 • VA may expend funds for Honoraria if properly approved • Honoraria payments will not be made by a purchase card or convenience check 	OFP (047G) OGC	General policy update and per OGC guidance	February 2018
0706 Authorities and References	Updated links to appropriate authorities and references	OFP (047G) OGC	General policy update and per OGC guidance	February 2018